

Taxpayer Assistance Services

My Income Tax Account

Check on your refund status; look up your Colorado 1099-G; check on estimated payments; look up your billing notice; or set up an "agreement to pay." You must have your social security number and either the amount of your refund, the amount of an estimated payment, or the billing notice number. Information is available on the Web at www.TaxColorado.com or by phone at (303) 238-FAST (3278).

Tax Information Index

For an alphabetical index that provides Web links to FYI tax publications, common questions and answers, forms, regulations, and the Colorado Revised Statutes for a variety of common tax topics, please visit www.TaxColorado.com

Online Customer Support

Search for commonly asked questions and answers. "Send Us an E-mail" if the answers don't respond to your particular question.

Tax Information Call Center

Representatives are available Monday through Friday, 8 a.m. to 4:30 p.m. (303) 238-SERV (7378)
TTY/TTD Service (800) 659-2656

Walk-In Assistance

Forms and information are available at these offices Monday through Friday, 8 a.m. to 4:30 p.m.

Denver: 1375 Sherman St.

Colorado Springs: 4420 Austin Bluffs Parkway

Fort Collins: 1121 W. Prospect Road, Building D

Grand Junction: 222 S. 6th St., Room 208

Pueblo: 310 E. Abriendo Avenue, Suite A-4

Additional Information



Tax Forms, Information and E-Services

Line by Line Instructions

The following instructions apply whether you file electronically or on paper. Electronic filers should use the forms in this guide as worksheets prior to entering the information in NetFile, TeleFile or other tax software.



HOW DOES FORM 104 WORK?

You must complete your federal income tax filing/return before you can start your Colorado return because line 1 of the Colorado form is your federal taxable income, which has your deductions and exemptions already subtracted out. You then may have to add or subtract certain types of income on lines 2 through 12. This gives you the Colorado taxable income you take to the tax table to determine the Colorado tax you owe. You will then subtract any credits you have on lines 19 through 29. These credits include items from Form 104CR, and any tax you have prepaid through withholding from your wages or estimated tax payments. If these credits are more than the tax due, you get a refund. If these credits are less than the tax due, you must pay the difference.



RESIDENCY STATUS

Check the proper box at the top of Form 104 to indicate whether you are filing as a full-year resident, a part-year resident or as a nonresident. If one spouse is a full-year resident and the other is a part-year resident or a nonresident, check only the part-year resident/nonresident box.

NAME AND ADDRESS

Print your name, address, and social security number in the spaces provided. If you are filing a joint federal return, you must file a joint Colorado return and include your spouse's name and social security number. For Privacy Act Notice, see **FYI** General 2.

DO NOT enter a name or social security number on the "spouse" line if you are not filing a joint return.

If you are entering an address for a foreign country, place any postal code at the end of the address line and enter Xs in the ZIP code box.

INCOME

LINE FEDERAL TAXABLE INCOME

1 Enter your federal taxable income from:

- federal Form 1040, line 43
- federal Form 1040A, line 27 or,
- federal Form 1040 EZ, line 6.

If your federal deductions exceed your federal adjusted gross income, enter the excess as a negative amount (in brackets) on line 1. The amount you enter on line 1 will be compared to the amount you report on your federal income tax return.

Your federal taxable income is your total income minus your federal exemptions and deductions. Do not put your total income or wages on this line because it will result in your tax being computed too high. Do not deduct your personal exemptions, standard deduction, or itemized deductions on your Colorado income tax return because they have already been allowed on line 1.

ADDITIONS TO INCOME

LINE STATE INCOME TAX DEDUCTION ADDBACK

2 If you filed federal form 1040A or 1040EZ for 2008, enter \$0 on line 2.



If you **did not** itemize deductions on your 2008 federal income tax return, enter \$0 on line 2.

If you **did** itemize deductions on your 2008 federal income tax return but deducted general sales taxes on line

5, schedule A, Form 1040, enter \$0 on line 2.

If you **did** itemize deductions on your 2008 federal income tax return and deducted income taxes on line 5, Schedule A, Form 1040, you must add back on your Colorado return any state income tax included in your federal itemized deductions. If your federal itemized deductions exceed the standard deduction you could have claimed by an amount that is less than the state tax deduction, you add back only the difference between the itemized and standard deduction amounts.

Complete the following schedule to determine your state income tax deduction addback:	
(a) State income tax deduction from line 5, Schedule A, federal Form 1040	\$
(b) Total itemized deductions from line 29, Schedule A, federal Form 1040	\$
(c) The amount of federal standard deduction you could have claimed (See line 40, federal Form 1040 for allowable federal standard deductions).	\$
(d) Line (b) minus line (c), but not less than \$0	\$

Enter the smaller of line (a) or line (d) on Form 104, line 2. For most Colorado taxpayers who itemize deductions, the state income tax deduction addback will be the amount from line 5, Schedule A, Form 1040. See **FYI 4**.

Individuals with high incomes who are not allowed to claim all of their federal itemized deductions can refer to publication **FYI 3**. Married persons filing separate returns should refer to **FYI 4** to determine the amounts to enter in the worksheet.

LINE OTHER ADDITIONS TO FEDERAL

3 TAXABLE INCOME

Enter on line 3:

- The amount of interest you earned during 2008 from bonds issued by any state or any state political subdivision other than bonds issued on or after May 1, 1980 by the State of Colorado or any of its political subdivisions. The amount you report on line 3 should be the gross amount of state and local bond interest minus amortization of bond premium and expenses required to be allocated to such interest income under provisions of the Internal Revenue Code. See **FYI 52**.
- The amount of lump-sum distribution from a pension or profit sharing plan you reported on federal Form 4972. Because this income is not included in federal taxable income on line 1, these distributions must be added on line 3. The distribution should be reduced by any estate tax allocated to the distribution on Form 4972.

Distributions included on this line are subject to 10-year averaging on the federal return. If the lump-sum distribution is not subject to 10-year averaging and is included in federal taxable income on line 1, then it should not be reported again on line 3. Amounts entered on this line may be eligible for the pension exclusion on lines 7 or 8.

- The smaller of the amount from line 14, federal Form 8814 or \$900 if you are electing to report your child's income for federal tax purposes.
- Any federal charitable contribution deduction on which you also claimed a Colorado gross conservation easement credit. See **FYI 39**.
- Any fiduciary adjustment or partnership modification that increases your federal taxable income.

SUBTRACTIONS FROM INCOME

LINE STATE INCOME TAX REFUND

5 SUBTRACTION

Enter any state income tax refund you reported as income on line 10 of your federal Form 1040. Enter \$0 if you filed federal Form 1040EZ or 1040A.

LINE UNITED STATES GOVERNMENT

6 INTEREST

Enter any interest you earned during 2008 from U.S. government bonds, treasury bills and other obligations of the United States or its territories, possessions and agencies that was included in federal taxable income. Do not enter interest earned from Federal National Mortgage Association and Government National Mortgage Association (Fannie Mae and Ginnie Mae). Dividends received from mutual funds may not be 100% exempt. See **FYI 20**.

LINE PENSION AND ANNUITY SUBTRACTION

7 If you received pension or annuity income and

- the income is included in your federal taxable income,

or

- a lump-sum distribution is reported on line 3, above,

Then

- if, as of December 31, 2008, you were **65 or older**, enter the **smaller** of the income or \$24,000;
- if, as of December 31, 2008, you were **at least 55 but not yet 65**, enter the **smaller** of the income or \$20,000;
- if, as of December 31, 2008, you were **under 55**, you do not qualify for the pension subtraction **unless** you are receiving the income as a secondary beneficiary

(e.g., a widow, dependent child, etc.) due to the death of the person who earned the pension, in which case you enter the **smaller** of the income or \$20,000.

For information and exceptions, see **FFM 18 and 25**.

To qualify for the subtraction, a payment must be:

- pension or annuity income that is not considered a premature distribution, and
- reported on the federal return as taxable IRA distributions, pensions and annuities, or social security benefits (lines 15b, 16b, or 20b of federal Form 1040; lines 11b, 12b, or 14b of federal Form 1040A), or reported as a lump sum distribution on line 3 of Colorado Form 104.

Example: Joseph (age 66) and Catherine (age 63) receive social security benefits in 2008 of \$20,000, \$6,000 of which was taxable on their joint federal return. Joseph received \$12,000 of the benefits while Catherine received \$8,000. Catherine also earned a private pension of \$22,000, \$18,000 of which was taxable on the federal return.

- Joseph's pension subtraction is computed by taking his share of the total social security benefits paid times the taxable benefits (60% of \$6,000), which is \$3,600.
- Catherine's pension subtraction is computed by taking her share of the social security benefits times the taxable benefits (40% of \$6,000) and adding her taxable private pension (\$18,000), which is \$20,400. Because Catherine is under age 65 her subtraction is limited to \$20,000.

LINE PENSION AND ANNUITY SUBTRACTION - 8 SPOUSE

If you are filing a joint return, enter the spouse's pension or annuity subtraction, if any, on line 8. See line 7 instructions for a definition of excludible pension/annuity income. The spouse must also qualify by age to claim the pension/annuity subtraction. Each spouse's subtraction is computed separately and no part of one spouse's \$20,000 or \$24,000 subtraction may be claimed by the other. See **FFM 25**.

LINE COLORADO SOURCE CAPITAL GAIN

9 You can subtract capital gain income IF:

- *Federal taxable income*—the income is included in your federal taxable income;

AND

- *Colorado sources*—the income is earned from:
 - the sale of real or tangible personal property located in Colorado at the time of the transaction, or
 - the sale of stock or ownership interest in a "Colorado company;"

AND

- *Acquisition/Holding*—you acquired the asset after May 9, 1994 and owned it continuously for five years prior to the transaction date. See **FFM 15** for important qualifications.



Form DR 1316 **must** be attached to your return.

LINE TUITION PROGRAM CONTRIBUTION

- 10** Payments or contributions you made during 2008 to a qualified state tuition program administered by CollegeInvest can be deducted, but only to the extent they are included in federal taxable income. See **FFM 44**.

LINE QUALIFYING CHARITABLE

11 CONTRIBUTION



Taxpayers who claim the federal standard deduction instead of itemizing their deductions on the federal return may be able to subtract a portion of their charitable contributions made during the year. Enter only the amount in excess of \$500 that you could have deducted on federal Schedule A under the "Gifts to Charity" section had you itemized your federal deductions. See **FFM 48**.

Complete the following schedule to determine your qualifying charitable contribution subtraction:	
(a) Did you itemize your deductions on the federal Schedule A?	Yes <input type="checkbox"/> No <input type="checkbox"/>
(b) Did you deduct your charitable contributions on the federal return as a business or other deduction?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If you answered yes on lines (a) or (b), enter \$0 on line 11, you do not qualify for this subtraction. If you answered no on lines (a) and (b), continue with line (c).	
(c) Enter the amount you could have deducted for charitable contributions on lines 16 and 17 of federal Schedule A.	\$
(d) Nondeductible contributions	\$ 500
(e) Qualifying charitable contribution subtraction, line (c) minus line (d), but not less than \$0	\$
Enter the amount from line (e) on Form 104, line 11.	

Taxpayers must maintain proper records for all contributions. If you are required to substantiate this subtraction, you must provide the same records that are required by the federal IRS for charitable contributions.

LINE OTHER SUBTRACTIONS FROM FEDERAL 12 TAXABLE INCOME

Enter on line 12:

- If you received PERA or Denver School District No. 1 retirement benefits (DPSRS) during 2008 and you contributed to the PERA retirement fund during 1984, 1985 or 1986 or to the Denver School District No. 1 retirement fund during 1986, you

may be entitled to a subtraction for income previously taxed by Colorado but not by the federal I.R.S. See **FYI 16**.

- Enter any tier I or tier II railroad retirement benefits that are included in federal taxable income.
- Enter any fiduciary adjustment or partnership modification reducing federal taxable income, but only to the extent it cannot be reported on lines 5-11.
- Enter any income earned on an Indian reservation by a reservation tribal member while domiciled on the reservation.
- Enter your medical savings account contribution and interest, if any, and write "medical savings account" in the available space. Do not include any amounts that were deducted on your federal return. See **FYI 29**.

Do not include on line 12:

- income from sources outside of Colorado,
- net operating losses,
- military income, or
- wage adjustments.



LINE COLORADO TAXABLE INCOME

- 14** Your Colorado taxable income is the amount by which line 4 exceeds line 13. Determine your tax from the tax table on pages 22 and 23 based on your Colorado taxable income. Full-year residents enter their tax on line 15, Form 104. Part-year residents and nonresidents go to Form 104PN, page 17, for apportionment instructions.

TAX

LINE TAX

- 15** Colorado residents enter the tax from the tax table. Part-year residents and nonresidents enter the tax from line 36, Form 104PN and attach Form 104PN to your return. The Colorado tax rate is currently 4.63%. This represents a reduction in the rate from the 1999 rate of 4.75% and the 1998 rate of 5%.



enters your tax. No need to look it up in a table.

LINE ALTERNATIVE MINIMUM TAX

- 16** If you have a federal alternative minimum tax, you probably have a Colorado alternative minimum tax.



Enter your Colorado alternative minimum tax, if any, from line 8, Form 104AMT. Attach Form 104AMT to your return. See **FYI 14**.

LINE RECAPTURE OF PRIOR YEAR CREDITS

- 17** Enter any historic property preservation credit, health care professional credit, low income housing credit or other credit claimed in prior years that must be recaptured.

TAX CREDITS

Form 104CR must be attached to your return if you entered any amount on lines 19 through 22.

LINE PERSONAL CREDITS FROM FORM 104CR

- 19** Enter the personal credits from line 41, Form 104CR.

LINE ALTERNATIVE FUEL CREDITS

- 20** Enter the alternative fuel credits from line 44, Form 104CR.

LINE GROSS CONSERVATION EASEMENT CREDIT

- 21** See **FYI 39**.

Enter the gross conservation easement credit from line 45, Form 104CR.

A nonrefundable tax credit is available for qualified taxpayers who donate a Colorado conservation easement in gross. If this credit is claimed, any charitable deduction claimed on the federal return may have to be added to taxable income on line 3.



You must attach form DR 1305 to your return if you claim this credit.

If you donated the easement during 2008, or if you received this credit from a pass-through entity that donated the credit during 2008, you must also attach form DR 1303 to your return and submit form DR 1304 in a separate mailing. To expedite your refund, you may file Form DR 1304 online at www.revenue.state.co.us/easementinformation. If you file Form 104 electronically, Form DR 1303 and the required attachments must be mailed to the Department of Revenue.

LINE ENTERPRISE ZONE CREDITS

- 22** Enter the enterprise zone credits from line 17, Form 104CR.

LINE TOTAL

- 23** If the amount on line 23 is more than the total of lines 15 and 16, then lines 19, 20, 21 and/or 22 are incorrect and Form 104CR must be corrected to properly report the credits to be carried forward to 2009.

LINE NET TAX

- 24** Line 18 minus line 23.

LINE FEDERAL ADJUSTED GROSS INCOME

- 25** Enter your federal adjusted gross income from federal form 1040, line 37; or from federal form 1040A, line 21; or from federal form 1040EZ, line 4.

PREPAYMENTS AND REFUNDABLE CREDITS

LINE COLORADO INCOME TAX WITHHELD

- 27** Enter the total amount shown as Colorado tax withheld on your W-2 (wage withholding forms), W2-G or 1099 forms. Staple these forms to the front of your return.



Attach W-2s, W2-Gs or 1099s only if they report Colorado income tax withheld. Do not claim tax withheld for the federal government, other states, or any city.

Do not include amounts withheld from:

- Colorado real estate sales by nonresidents,
- nonresident beneficiaries, or
- Colorado partnership/S corporation income of non-residents

as they should be included as estimated tax payments on line 28.

LINE ESTIMATED TAX PAYMENTS

28 AND CREDITS

Enter on line 28:

- any estimated tax payment you made for 2008,
- that part of your 2007 overpayment, if any, that you applied to 2008,
- any amount you paid with your 2008 extension of time for filing voucher,
- amounts withheld on Colorado real estate sales on Form DR 1079,
- amounts paid in for nonresident beneficiaries on Form 104 BEP, and
- amounts paid in for nonresident partners or shareholders on Form DR 0108. See **FYI 51**.

LINE CHILD CARE CREDIT

- 29** Full year residents enter the child care credit from line 5 of Form 104CR. Part year residents, enter the child care credit from line 6 of Form 104 CR. You qualify for this credit only if your federal adjusted gross income is \$60,000 or less and you must have qualified for and claimed the federal child care credit.

LINE OVERPAYMENT

- 31** If line 30 is larger than line 26, subtract the amount on line 26 from the amount on line 30 and enter the difference on line 31. This is the amount Colorado owes you. If line 26 is larger than line 30, proceed to line 49.

REFUND OR AMOUNT OWED

LINE CREDIT TO 2009 ESTIMATED TAX

- 32** Enter the portion of your overpayment, if any, you want to apply to your 2009 estimated tax.

LINE VOLUNTARY CONTRIBUTIONS

- 33-46** Enter the amounts, if any, you wish to contribute to the Checkoff Colorado charitable funds. (See page 24 for more information.)

LINE REFUND

- 48** The amount on line 48 is the amount that will be refunded.



The Department can deposit your refund directly into your account at a U.S. bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States.

Direct Deposit?

- Faster refund
- Safer refund - No check to get lost.
- Convenient - No trip to the bank.



**your return AND use Direct Deposit.
Get your refund in two weeks.**

How do I use Direct Deposit?

Complete the routing number, type of account and account number boxes on line 48.

Pay to the order of: _____

Routing Number: _____ Account Number: _____

Anytown Financial Institution
National Association (303) 000-0000

For: _____

VOID

Do not include the check number

1001

20

123456780

123456780

00

The **routing number** must be nine digits. The first two digits must be 01 through 12 or 21 through 32. On the sample check, the routing number is 123456780. Your check may state that it is payable through a bank different from the financial institution

at which you have your checking account. If so, do not use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on this line. The **account number** can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check, the account number is 12312345. Do not include the check number.

You should contact your financial institution to make sure your deposit will be accepted and to obtain the correct routing and

account numbers. This is especially important if you want your refund deposited to a savings account at a credit union. The Colorado Department of Revenue is not responsible for a lost refund if you enter the wrong account information. Any refund claim that, for any reason, cannot be deposited into the account specified will be issued and mailed in check form instead.

LINES TAX TO PAY.

49-52 If line 26 is more than line 30, you have additional tax to pay. Subtract line 30 from line 26 and enter the difference on line 52. This is the amount of tax you owe. Write your social security number and "Form 104"

Use Form DR 0900 below to submit your payment if you:

- file using NetFile,
- file using TeleFile,
- file using any other electronic method,
- file a return containing a barcode,
- or are, for some other reason, sending your payment separate from your return.

DO NOT send another copy of your tax return with your payment because the DR 0900 contains all the information required to match your payment with your return.



DETACH FORM
ON THIS LINE

▼ RETURN ONLY THE LOWER PORTION OF THIS PAGE WITH YOUR PAYMENT ▼

(11)

DR 0900 (09/29/08)
COLORADO DEPARTMENT OF REVENUE
DENVER CO 80261-0008
www.TaxColorado.com

2008 INDIVIDUAL INCOME TAX PAYMENT VOUCHER

(calendar year - Due April 15, 2009)

Vendor ID

Payment 70

Return this voucher with check or money order payable to the Colorado Department of Revenue, Denver, Colorado 80261-0008. Write your social security number and "2008 Form 104" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Your last Name	First Name and Initial	Social Security Number	
Spouse's Last Name (if joint)	Spouse's First Name and Initial	Social Security Number	
Address			
City		State	ZIP

The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.

DO NOT WRITE IN SPACE BELOW

(08)

\$.00

on your check. Enclose, but do not attach, your payment with Form 104. **PLACE THE CHECK ON TOP OF THE STAPLED W-2S ON PAGE 1. DO NOT STAPLE THE CHECK.**

New

If you prefer to pay by credit card or echeck, see the online tax payment information below.

DO NOT SEND CASH

If you owe tax and wish to make a contribution to any of the voluntary contributions, enter the amount(s) on lines 33 through 46 and add these amounts to your balance due on line 52.

A **delinquent payment** penalty (line 49) is due if the balance due is not paid by April 15, 2009, unless a valid extension exists with a proper 90% prepayment. The penalty is 5% of the additional tax due for the first month of delinquency and 1/2% for each additional month up to a maximum of 12%.

Interest (line 50) is due on any balance of tax due from April 15, 2009 at the rate of 5% (8% if we bill you and you do not pay within 30 days).

If an **estimated tax penalty** is due (line 51), attach Form 204 to your return.

Enter the total amount owed, including penalty and interest due from lines 49, 50 and 51, on line 52.



Rather than mailing a check, you can now pay using an electronic check or credit card at www.colorado.gov/paytax

This online service includes an administrative fee that allows Colorado.gov to deliver this and other important services. This fee is paid to a third party that provides these services for Colorado.gov at little or no cost to the taxpayers of Colorado.

For credit card transactions, the administrative processing fee is the amount due multiplied by 2.25%, plus an additional \$.75. However, if you choose to pay with cash in the form of an echeck, the administrative processing fee is discounted to \$1.00 per transaction.